

Up or Down?

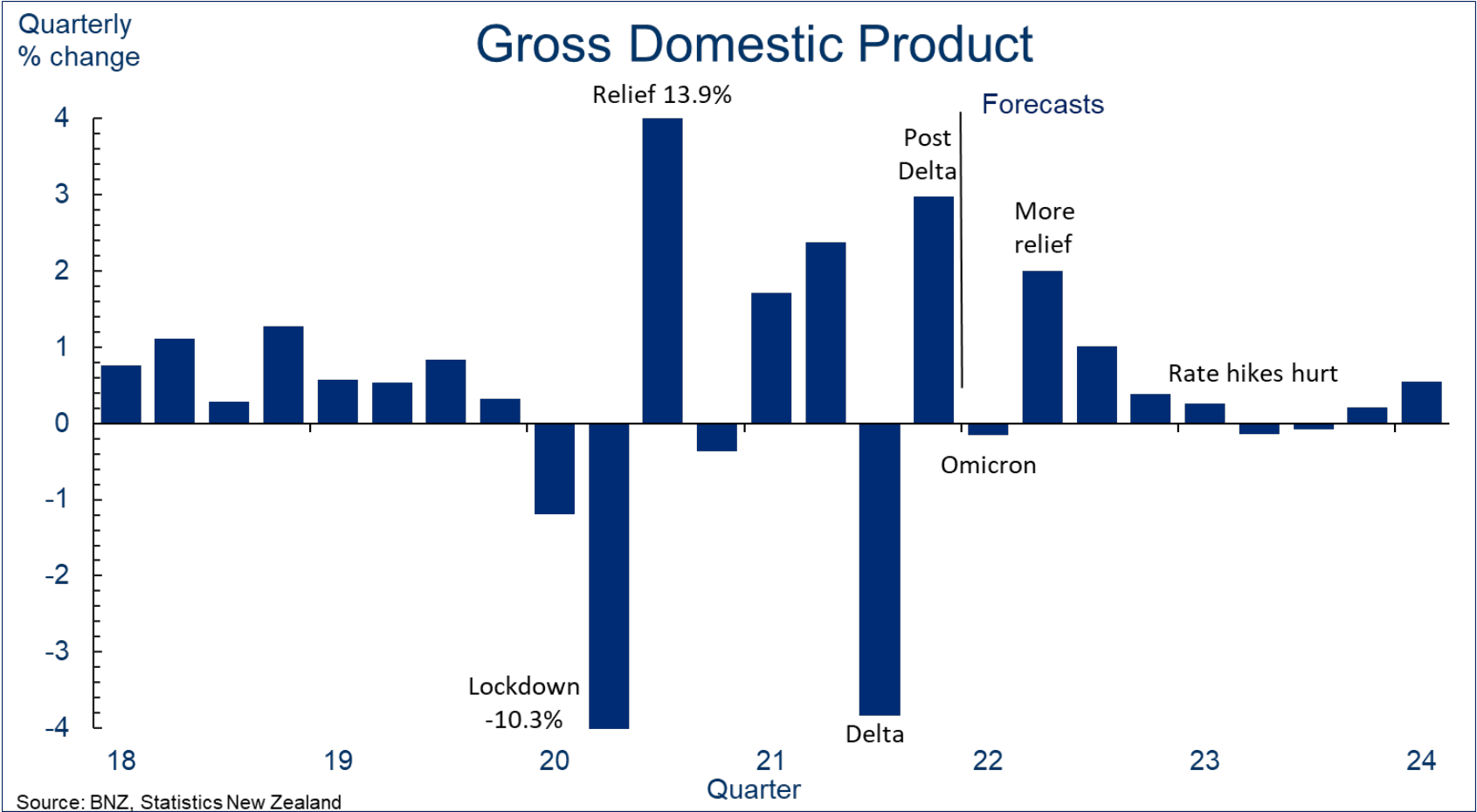
Stephen Toplis, June 2022

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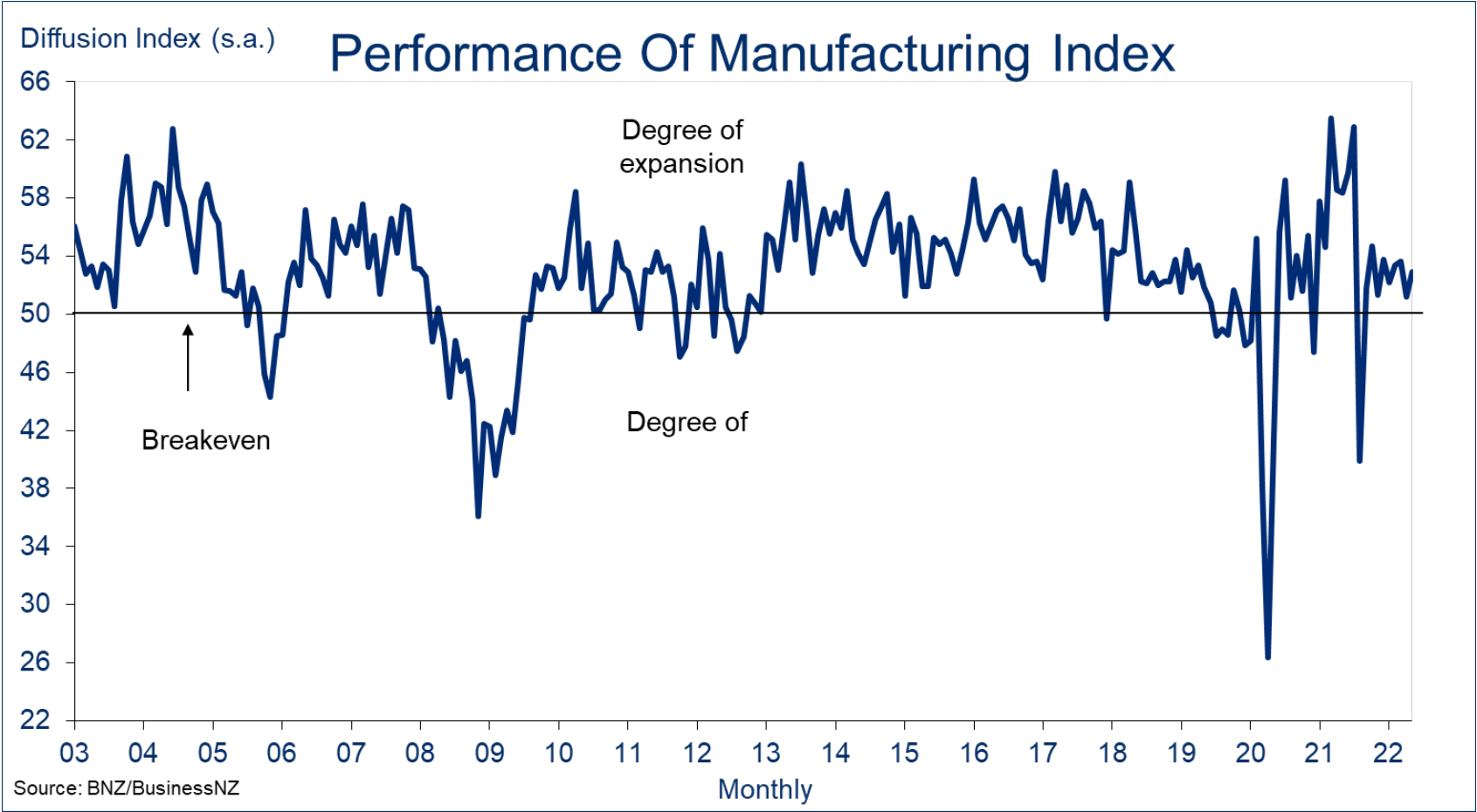
BNZ Markets | Confidential to recipients



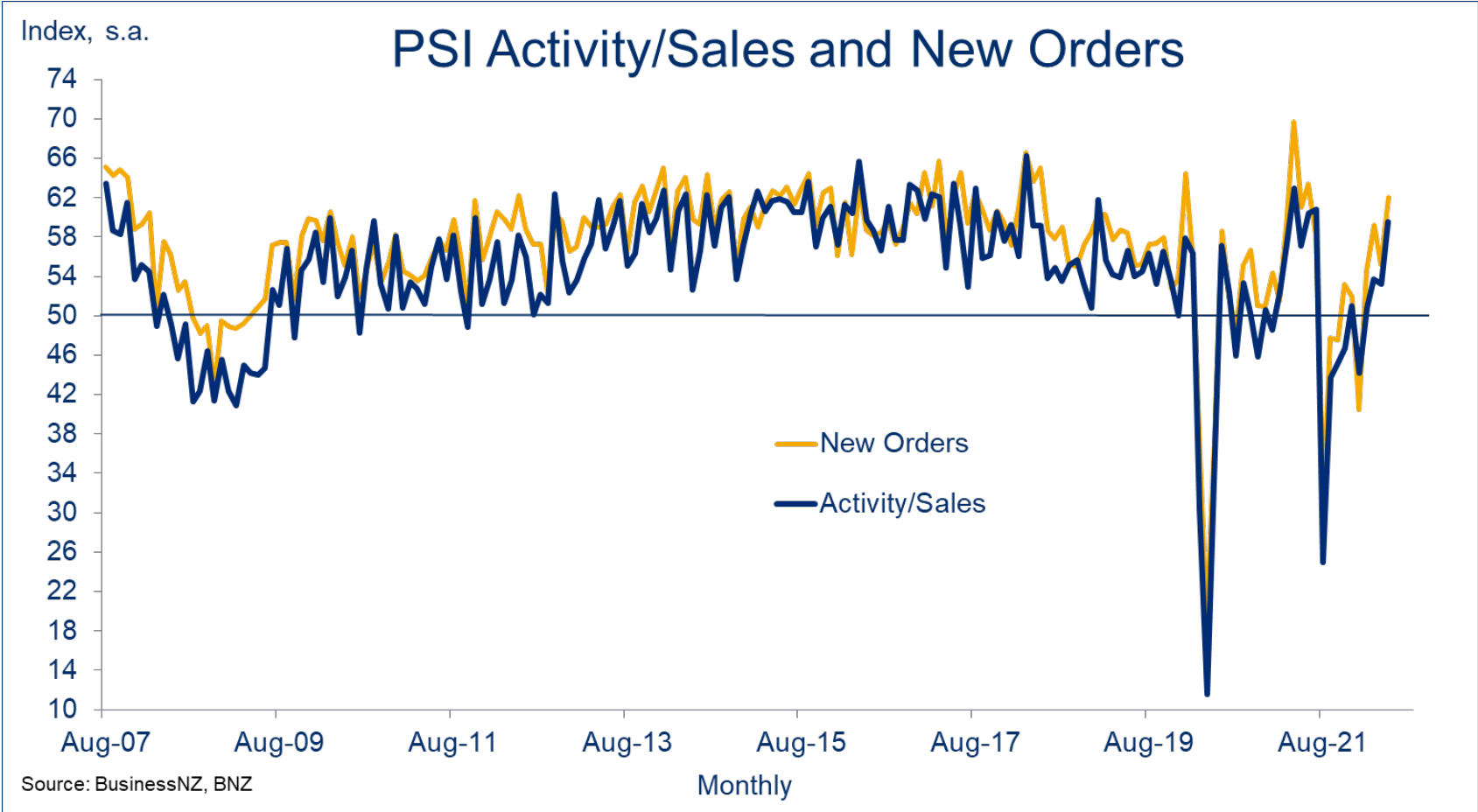
No recession – yet!



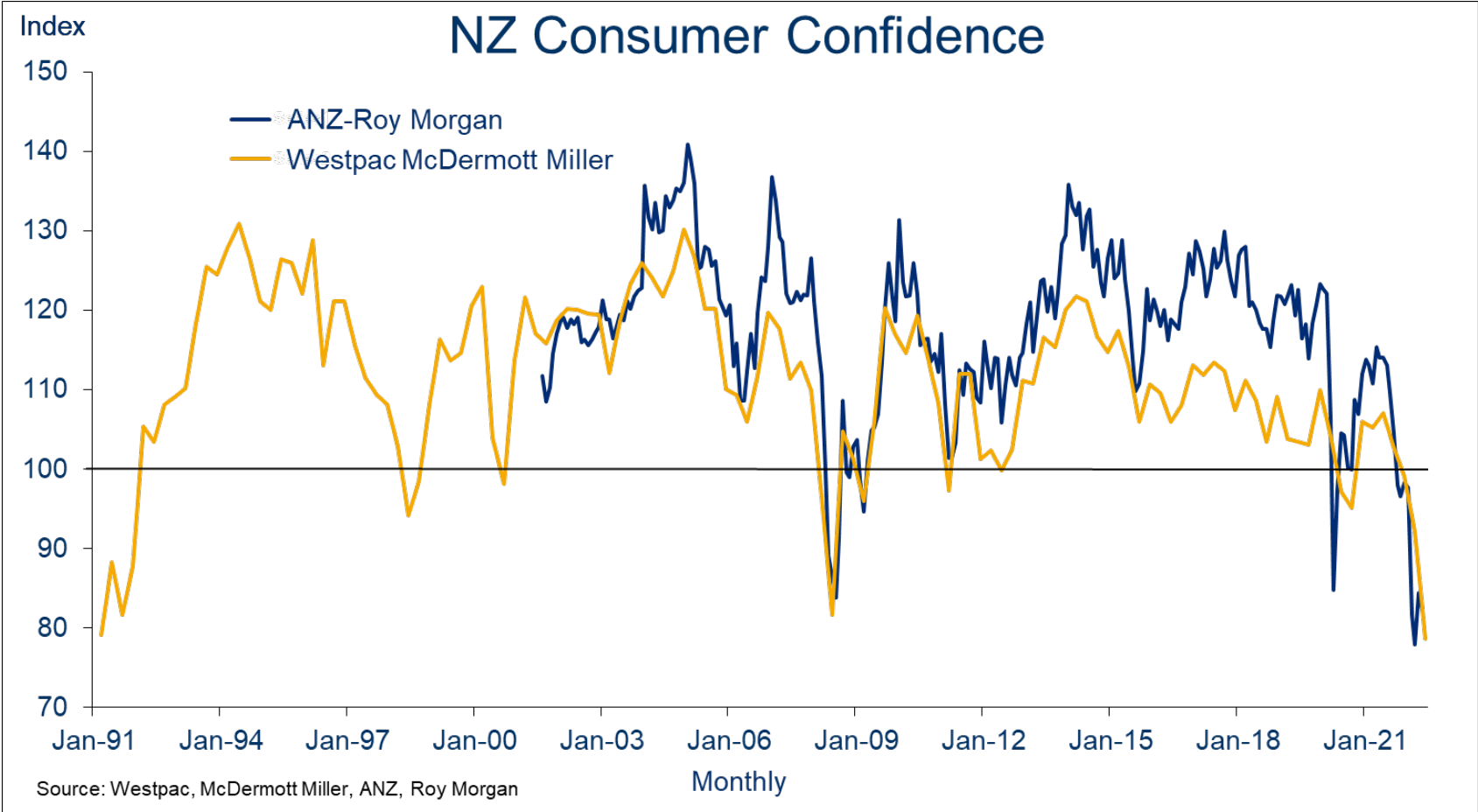
Manufacturing holding up



Services rebound strongly



Consumer-driven when recession arrives

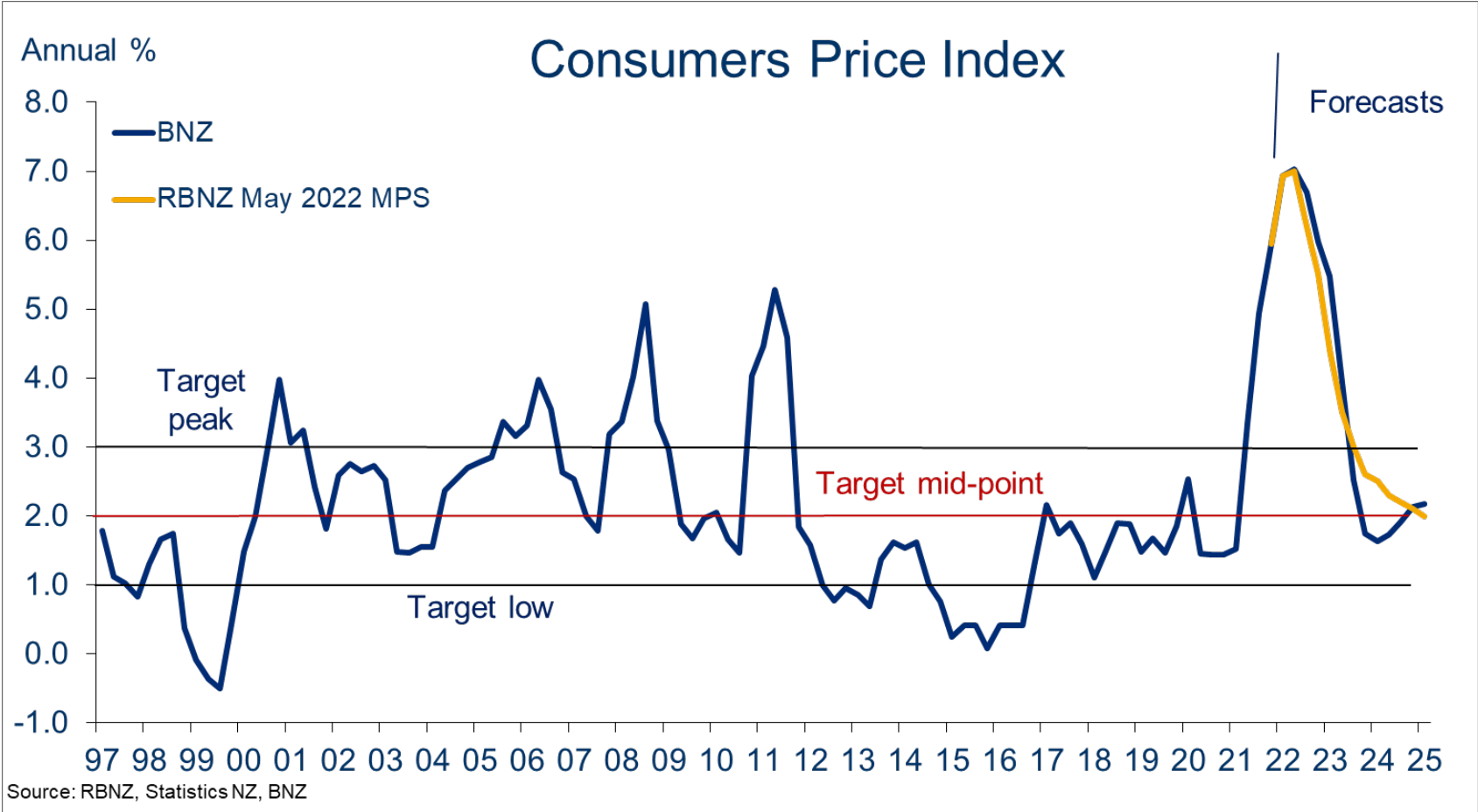


Meanwhile excesses remain

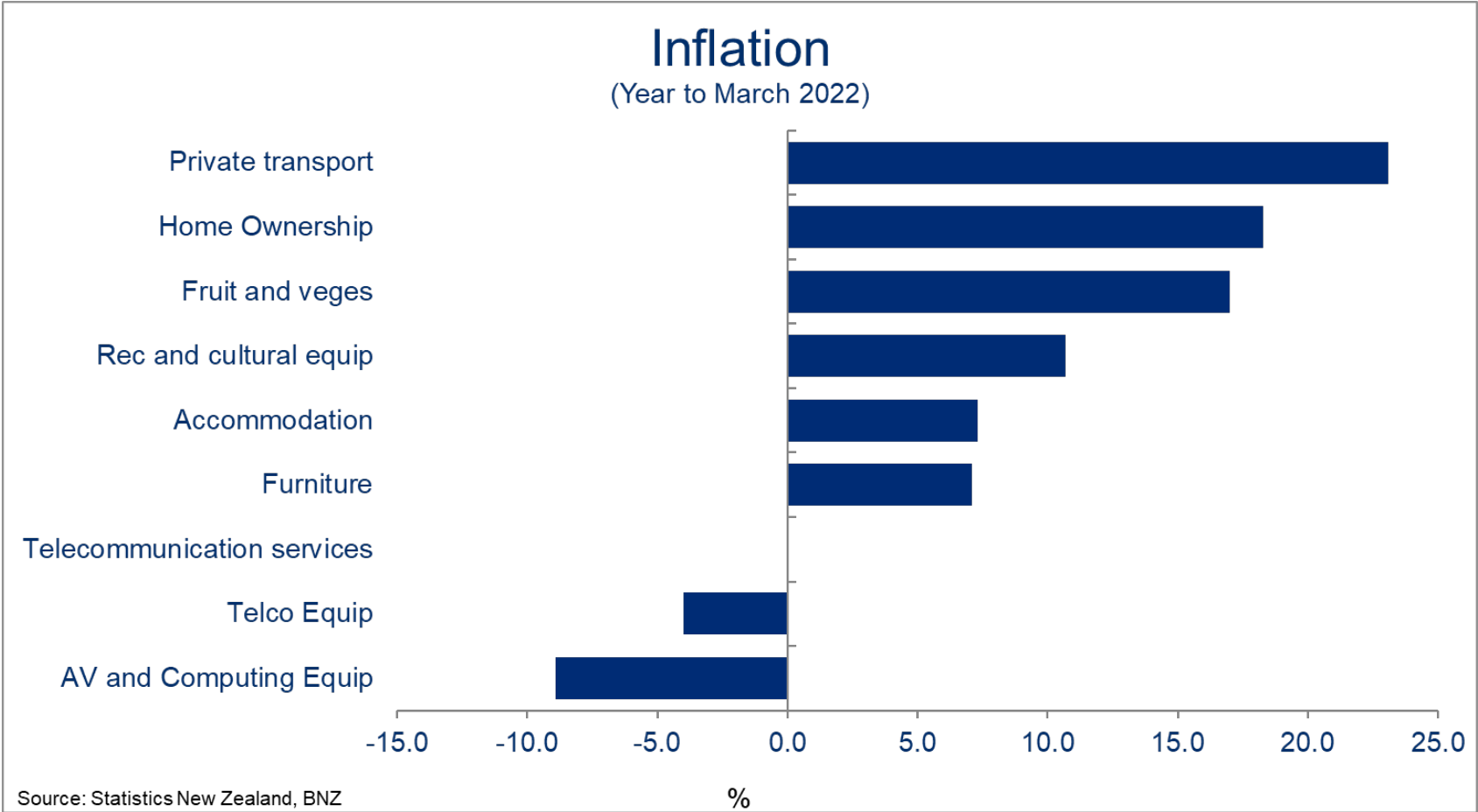
- Inflation forecasts revised upward
- Labour markets tighten further
- External accounts deteriorate



Inflation expectations nudged higher



It hurts

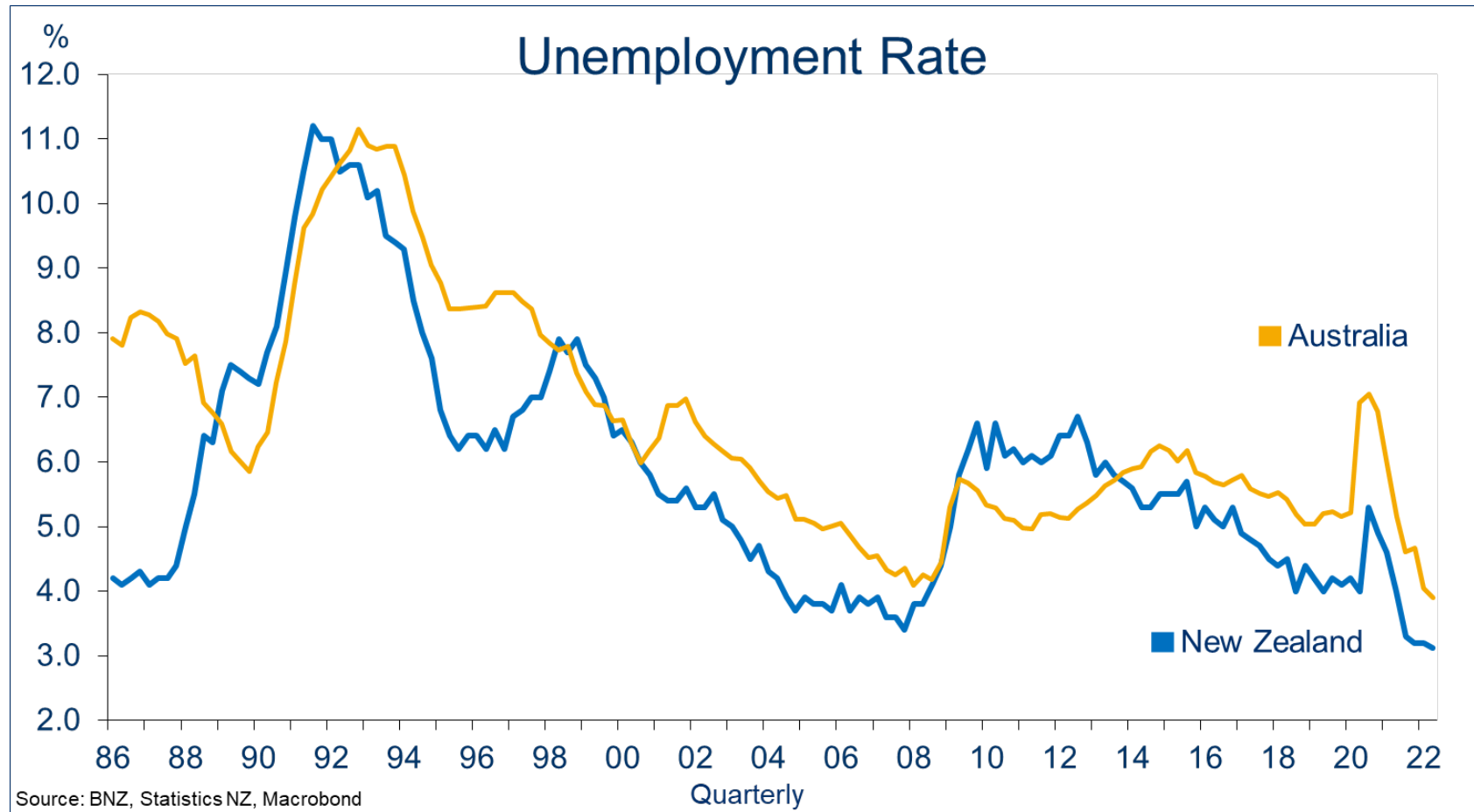


Staff requirements soar

- Dairy NZ 4,000
- Nurses 4,000
- Air NZ 1,100
- Queenstown 1,000
- Teachers 1,000
- Corrections 438
- Wellington Airport 200



As Aussie competition rises



External accounts getting ugly

